

MORRISON & FOERSTER LLP

SAN FRANCISCO
LOS ANGELES
PALO ALTO
WALNUT CREEK
SACRAMENTO
ORANGE COUNTY
SAN DIEGO
DENVER

ATTORNEYS AT LAW

2000 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20006-1888
TELEPHONE (202) 887-1500
TELEFACSIMILE (202) 887-0763

NEW YORK
BUENOS AIRES
LONDON
BRUSSELS
BEIJING
HONG KONG
SINGAPORE
TOKYO

October 27, 2000

Writer's Direct Contact
(202) 887-8745

J. Gurman@mofo.com

By Messenger

EX PARTE OR LATE FILED

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-A325
Washington, D.C. 20554

RECEIVED

OCT 27 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ex Parte Presentation -- IB Docket No. 00-187

Dear Ms. Salas:

On October 26, 2000, undersigned counsel, along with Brian O'Connor and John Nakahata representing VoiceStream Wireless Corporation ("VoiceStream"), and John Harwood and Andreas Tegge representing Deutsche Telekom AG ("DT") (collectively, the "Parties"), met with Commissioner Susan Ness and her Senior Advisor, Mark Schneider, to discuss the Parties' pending merger in the above-referenced docket.

Specifically, the Parties discussed the contents of their applications, the status of their filings made pursuant to the Hart-Scott-Rodino Antitrust Improvements Act, Sec. 7A of the Clayton Act, 15 U.S.C. Sec. 18A, and the Federal Trade Commission's Pre-Merger Notification Rules, 16 C.F.R. Parts 801, 802 and 803, and the status of their discussions with relevant federal agencies charged with addressing law enforcement and potential national security concerns.

The Parties also discussed a letter from Michael Steiner, Foreign Policy and Security Advisor of the Federal Chancellor of the Federal Republic of Germany, to Samuel Berger, Assistant to the President for National Security Affairs, a copy of which is attached.

Pursuant to Section 1.1206(b)(1) of the Commission's rules, an original and one copy of this letter are provided to the Secretary for inclusion in the record in the above-referenced proceeding.

No. of Copies rec'd 041
List A B C D E

ORIGINAL



BUNDESKANZLERAMT

Michael Steiner
Foreign Policy and Security Advisor
of the Federal Chancellor

Berlin, 21. September 2000

Phone ++49-(0)30-4000-2200

Fax ++49-(0)30-4000-2262

The Honorable
Samuel Berger
Assistant to the President
for National Security Affairs
The White House
Washington, D.C.
USA

Dear Sandy,

as you know, the pending decision on the Hollings-Rider Bill is of some importance for our bilateral relations. In a letter to Ambassador Barshefsky and Under Secretary Eizenstat dated July 25, 2000, State Secretary Axel Gerlach pointed out the Federal Government's grave concern over the initiative being taken in Congress aimed at preventing foreign investment in the telecommunications sector. In this connection I would like to draw your attention to a number of facts. In no way does the Federal Government's existing holding in Deutsche Telekom AG (DT AG) impair free competition in the telecommunications sector.

The German Government is fully committed to the full privatization of Deutsche Telekom and to the objective to reduce its direct stake not just to 25 % but to zero. Since the process began in 1995, the German Government's interest has been progressively and rapidly reduced, from 100 percent in 1995 to a direct ownership share of 43.2 percent today. Another 15 percent of Deutsche Telekom's shares have been sold irrevocably to a public bank (KfW) for sale to the public as market conditions permit. Deutsche Telekom's proposed mergers with VoiceStream and Powertel will further dilute the German Government's direct stake to less than 33 percent, and its total direct and indirect interests to approximately 44 percent.

Since 1995 the sole instruments available to the Federal Government to influence the business policy of DT AG are the instruments provided under German company law,

Address:
Schloßplatz 1, D-10117 Berlin, Germany

Mail:
P.O. Box 61 02 61, D-10624 Berlin, Germany

namely, the shareholders meeting and the supervisory board. On the supervisory board it has only one of the 20 seats. Through its voting rights the Federal Government exercises no control over business policy. In Germany there is no "golden share", i.e. no veto rights or special status in the corporate governance sphere. DT AG receives no state subsidies.

To ensure the telecommunications market is opened up to competition the Regulatory Authority for Telecommunications and Posts was set up under the 1996 Telecommunications Act. This independent Authority, which started operating in 1998, imposes stringent conditions designed to secure fair competition and non-discriminatory market access. Examples of how the Authority operates to promote competition are:

- ° the number of licences issued to other operators of transmission systems and the range of voice telephone services available to the public (the Authority had issued 252 such licences by the end of 1999);
- ° the marked fall in telephone call charges over the past two years;
- ° the recent decision requiring DT AG to modify its charges to rival Internet providers for connecting customers so as to prevent distortions to competition.

Overall Germany now ranks as one of the world's most open telecommunications markets, as was most recently shown by the result of the auction of UMTS licences. Over 80% of this in future extremely important market will henceforth be controlled by companies that are partly in foreign ownership.

The Federal Government herewith once again reaffirms its determination to make the formerly state-owned company DT AG into a company managed on entirely market-economy lines and privately owned. I would be grateful if, with a view to preventing the enactment of the Hollings-Rider Bill, you could convey this assurance on the part of the Federal Government also to the members of Congress. State Secretary Gerlach will contact to this effect also Ambassador Barshetsky.

Yours



MORRISON & FOERSTER LLP

Magalie Roman Salas
Page Two

Very truly yours,

A handwritten signature in black ink, appearing to read "Louis Gurman". The signature is fluid and cursive, with the first name "Louis" written in a larger, more prominent script than the last name "Gurman".

Louis Gurman

Counsel to VoiceStream Wireless Corporation

cc:

Commissioner Susan Ness

Mark Schneider, Senior Advisor to Commissioner Ness

International Transcription Services, Inc.

Office of Media Relations, Reference Operations Division

Claudia Fox, Policy and Facilities Branch, Telecommunications Division, International Bureau

Justin Connor, Policy and Facilities Branch, Telecommunications Division, International Bureau

Lauren Kravetz, Commercial Wireless Division, Wireless Telecommunications Bureau

John Branscome, Commercial Wireless Division, Wireless Telecommunications Bureau

Jamison Prime, Public Safety and Private Wireless Division, Wireless Telecommunications Bureau

Carl Huie, Experimental Licensing Branch, Office of Engineering and technology

James Bird, Office of General Counsel

Christine Enemark, Covington & Burling